



CenturyLink Corrected Form 1099-DIV Frequently Asked Questions July 2018

1. Why is the company sending a corrected Form 1099-DIV?

The corrected Form 1099-DIV replaces the statement that shareholders received in early February of this year (2018).

The tax treatment of corporate distributions is prescribed by tax law. These distributions are reported as taxable dividends to the extent of the corporation's "Earnings & Profits." Distributions that exceed a corporation's Earnings & Profits are treated as a return of capital. The computation of Earnings & Profits is also prescribed by tax law.

When CenturyLink issued the original Form 1099-DIV statements in Feb. 2018, the company's accumulated Earnings & Profits for Federal income tax purposes required the company to report the distributions as taxable dividends. Resulting from the Tax Cuts and Jobs Act of 2017, the company adopted certain tax elections that increased the acceleration of tax deductions into 2017. These elections also affected the company's prescribed computation of Earnings & Profits for 2017 in accordance with tax laws.

As a result, the Company is sending its shareholders corrected Form 1099-DIV statements to report our distributions as return of capital (non-dividend) distributions rather than as taxable dividends.

2. What does the corrected Form 1099-DIV mean for me as a shareholder?

The corrected Form 1099-DIV properly reflects the nature of the distributions you received in 2017 and will affect the way that you report these distributions for U.S. Federal and state income tax purposes. This change may reduce the amount of income tax that you are required to pay for 2017 and will also affect your tax basis in the CenturyLink stock that you hold.

You may need to amend your 2017 income tax returns to reflect the change in the treatment of the CenturyLink distributions if you have already filed your 2017 income tax returns. You should consult your tax advisor for detailed advice. If you have yet to file, you should substitute the corrected Form 1099-DIV for the original statement received earlier in the year.

3. How does the change from a taxable dividend to return of capital affect my tax basis in CenturyLink stock?

A return of capital distribution reduces the shareholder's basis in that stock.

In certain circumstances, the return of capital distribution may exceed a shareholder's basis in the stock and will therefore result in a taxable gain. The tax treatment of any gain will depend on a shareholder's individual tax circumstances.

You should consult your tax advisor with respect to the treatment of this distribution on your tax basis in CenturyLink shares and of any gain that may result from the distribution.



4. I saw your press release. However, I haven't received my corrected Form 1099-DIV yet. How do I get my form?

Registered shareholders will receive their statements from CenturyLink's transfer agent, Computershare.

Shareholders who hold their shares through a bank or broker should receive the corrected Form 1099-DIV in the mail or via email from those institutions.

Please note:

- Timing of the new corrected Form 1099-DIV varies by broker.
- Certain brokers may decide not to send a corrected Form 1099-DIV based on internal thresholds, such as the time of year or amount of dividend received.
- Please contact your bank or broker regarding specifics related to receipt of materials.
- Please consult your tax advisor for detailed advice.

5. Does this change in tax treatment affect the company's previous 2017 financial reporting?

This change in tax treatment does not affect CenturyLink's net income, free cash flow or other financial results previously reported under Generally Accepted Accounting Principles (GAAP).

6. How will this affect the tax treatment of the 2018 dividend?

We are in the process of analyzing 2018 earnings and profits for tax purposes. We do not expect to complete this analysis until after the end of the year.

7. Who should I contact with additional questions?

If you have any additional questions, please contact your broker or your tax advisor. You may also contact CenturyLink Investor Relations at 318-340-5627 or investor.relations@centurylink.com or Computershare at 312-360-5215.